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# Global Sustainability Strategy and Policy



# Introduction

*This document sets out the Sustainability Strategy and Policy which underpins Nuveen Natural Capital's ("NNC") land-based investments.*

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## SUSTAINABILITY STRATEGY

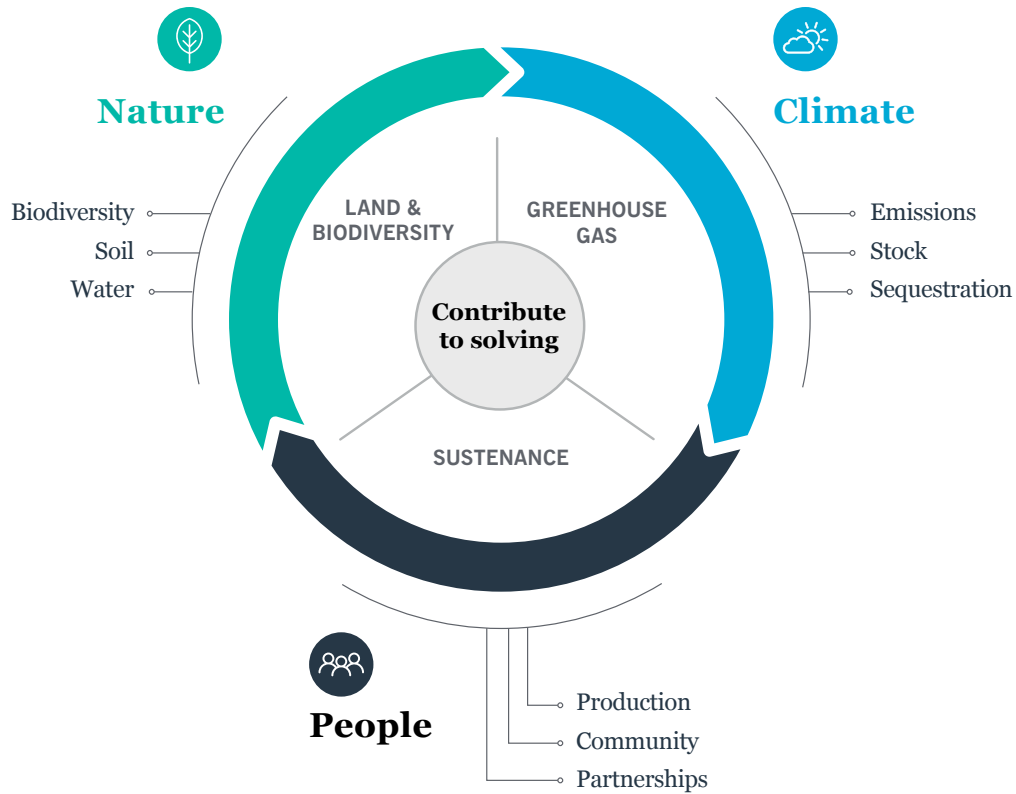
*NNC believes that its land-based investments can help meet global demand for food, fiber, and timber while contributing to the mitigation of climate and nature-related challenges. Through various programs articulated in the Nuveen Natural Capital Annual Sustainability Report, amongst other reports, NNC strives to optimize production, collaborate with local communities and partners, whilst moderating our footprint on nature and climate. The Sustainability Strategy – **Nature, Climate, People** – articulates how we seek to advance this holistic sustainability program to meet these global challenges, while promoting the long-term resilience of our operations. The schematic below outlines the material topics underpinning this strategy:*

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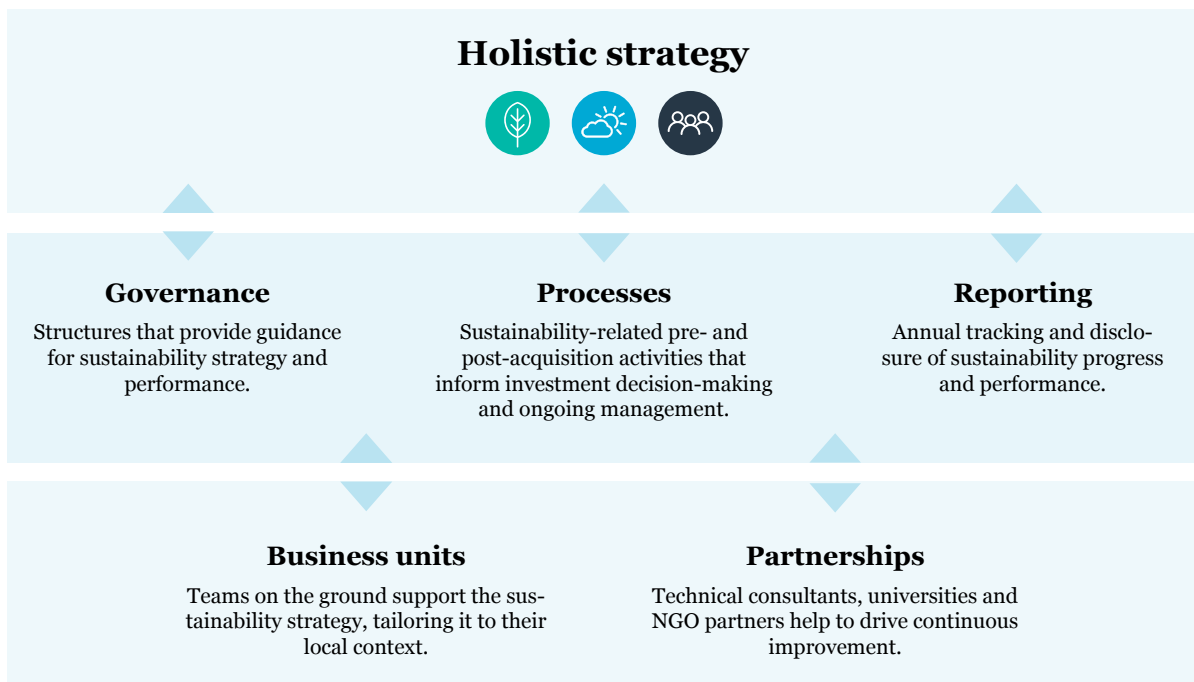
<b>Environmental sustainability</b>	<b>4</b>
<b>Respect labor and human rights</b>	<b>4</b>
<b>Respect land and resource</b>	<b>4</b>
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**Figure 1: Holistic sustainability strategy – Nature, Climate, People**



**Figure 2: Supporting architecture**

The architecture in place to underpin the sustainability program is depicted in the below schematic:



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## SUSTAINABILITY POLICY AND PRINCIPLES

The policy seeks to identify key principles which guide how NNC invests and manages its land-based portfolio.

These principles are consistent with the five UN Principles for Responsible Investing in Farmland<sup>1</sup>, as well as with responsible forest management standards<sup>2</sup> addressing:

- environmental sustainability
- labor and human rights
- land and resource rights
- business and ethical standards
- transparent reporting

### 1. Environmental sustainability

NNC will take reasonable steps to ensure that investment management teams, farm and timberland managers, tenants and/or local operators acting on the fund's behalf will:

- conduct appropriate environmental assessments prior to acquisition
- encourage and report on relevant environmental management practices, and application of technologies relating to effective water and soil management, greenhouse gas footprint, production optimization among other approaches
- abide by all local regulations regarding the preservation of forests, areas of high conservation value, as well as with the United Nations' Strategic Plan for Forests<sup>3</sup> and the Food and Agriculture Organization (FAO), with regard to land conversion, as detailed in Annex A

### 2. Respect labor and human rights

NNC will strive to ensure that investment management teams, farm and timberland managers, tenants and/or local operators acting on the fund's behalf will:

- identify relevant labor-related risks and impacts of a planned investment, with associated mitigation and management measures where relevant

- respect civil, labor and human rights, in accordance with local regulations, in the locations in which we invest
- where relevant, implement policies to respect rights relating to indigenous peoples, and unique cultural systems such as those outlined in the United Nations Declaration on the Rights of Indigenous People<sup>4</sup>
- support all of the International Labour Organization (ILO) fundamental conventions<sup>5</sup>

### 3. Respect land and resources

NNC's investments will respect the existing use of and ownership rights to land and other resources. Where relevant, NNC will take reasonable steps to encourage farm and timberland managers, tenants and/or local operators acting on the fund's behalf to:

- implement processes for land acquisitions and related investments that are culturally appropriate and transparent for the region
- implement processes, where relevant, for the region to ensure the free, prior and informed consultation of affected communities for investments
- respect areas of high indigenous/historical value, where appropriate
- maintain an open, accessible, and independent grievance channel where appropriate for the region
- conduct a pre-acquisition due diligence, where appropriate for the region

### 4. Uphold high and ethical standards

NNC will promote high business and ethical standards and will take reasonable steps to ensure that farm and timberland managers, tenants and/or local operators acting on the fund's behalf also will:

- respect the rule of law and implement processes aimed at avoiding anti-competitive practices and corruption in all its forms, including extortion and bribery. Reflecting an informed view of industry best-practice in their operations will ensure respect of local laws, even in regions where these laws are poorly enforced

## 5. Transparent reporting

NNC publicly reports on its sustainability-related activities through the Annual NNC Sustainability Report as well as through other appropriate reporting tools. NNC’s public-facing website also maintains descriptions of principles guiding specific regions, crop types and approaches<sup>6,7</sup>

In the spirit of continuous improvement, NNC engages with a wide variety of external stakeholders to progress in its sustainability programs.

NNC encourages its managed operations to comply with the United Nations Global Compact<sup>8</sup> and OECD Guidelines for Multinational Enterprises<sup>9</sup> as the minimum safeguards to help protect environmental and basic fundamental human rights.

NNC’s sustainability approach is underpinned by a zero-deforestation commitment, as outlined in Annex A.

### ANNEX A: ZERO DEFORESTATION POLICY

According to United Nations’ Strategic Plan for Forests and the Food and Agriculture Organization (FAO), deforestation<sup>10</sup> implies the *long-term or permanent loss of forest cover* and implies transformation into another land use.

- It includes areas of forest converted to agriculture, pasture, water reservoirs and urban areas
- The term specifically *excludes* areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures

Through this policy, we strive to ensure that our investments do not directly contribute to deforestation, as per the UN and FAO definition, while abiding by all local regulations.

The policy permits the clearance of limited area to improve field shape, operational efficiency, and farm/forest management infrastructure, provided all appropriate licenses are obtained and an area of equivalent ecological value is replanted or allowed to regenerate.

The acquisition of land that had previously been deforested after the cut-off dates below is permitted only if NNC restores or regenerates an area of equivalent ecological value.<sup>11</sup>

The dates correspond to cut-off dates adapted by the most relevant deforestation protocols for each biome, including for example the Amazon Soy Moratorium and the Grãos Verdes Protocol. This approach also considers the Accountability Framework, leading certification schemes and the Regulation (EU) No 2023/1115 for Deforestation-Free Products.

**Figure 3: Deforestation cut-off dates**

High Conservation Value areas <sup>12</sup>	Biome	Cut-off dates
Brazil Farmland	Amazon Biome	July, 2008
	Atlantic Forest	December, 2006
	Caatinga	September, 2017
	Cerrado Biome	May 2009 or later in accordance with criteria set forth by the Round-table for Responsible Soy
	Pantanal	January, 2008
Rest of world/timberland	All	31 December 2020 <sup>13</sup> , following the European Union (EU) Regulation No 2023/1115 for Deforestation-Free Products

Endnotes

- 1 <https://www.unpri.org/farmland/responsible-investment-in-farmland/716.article>
- 2 <https://fsc.org/en/fsc-standards> ; <https://forests.org/forestmanagementstandard/>
- 3 <https://www.un.org/esa/forests/documents/un-strategic-plan-for-forests-2030/index.html>
- 4 [https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)
- 5 <https://www.ilo.org/international-labour-standards/conventions-protocols-and-recommendations>
- 6 <https://www.nuveen.com/global/insights/alternatives/nuveen-natural-capital-carbon-market-integrity-principles>
- 7 <https://documents.nuveen.com/Documents/Global/Default.aspx?uniqueid=da9fc775-730d-4d63-8fea-de3c86d4e8c0>
- 8 <https://unglobalcompact.org/>
- 9 <https://www.oecd.org/investment/mne/>
- 10 <https://www.fao.org/3/ap862e/ap862e00.pdf>
- 11 [https://accountability-framework.org/fileadmin/uploads/afi/Documents/Operational\\_Guidance/OG\\_Environmental\\_Restoration\\_Compensation-2020-52.pdf](https://accountability-framework.org/fileadmin/uploads/afi/Documents/Operational_Guidance/OG_Environmental_Restoration_Compensation-2020-52.pdf)
- 12 [https://cdn.prod.website-files.com/624493bb51507d22cf218d50/64df9ed2e3fff57fad2c411d\\_HCV%20Definitions\\_v1.pdf](https://cdn.prod.website-files.com/624493bb51507d22cf218d50/64df9ed2e3fff57fad2c411d_HCV%20Definitions_v1.pdf)
- 13 In line with the cut-off dates adopted by the FSC® – Forest Stewardship Council® and SFI® – Sustainable Forestry Initiative®.

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